

Item #5:

**Resolution Establishing Village 50/50 Property & Sales Tax
Rebate Program For Historic Downtown Long Grove**

VILLAGE OF LONG GROVE

RESOLUTION 2016-R-_____

A RESOLUTION AUTHORIZING A TIF DISTRICT INCENTIVE PROGRAM TO ENHANCE BUILDINGS IN THE LONG GROVE HISTORIC BUSINESS DISTRICT

WHEREAS, pursuant to Ordinance No. 2008-O-5, as amended from time to time, the Village of Long Grove ("**Village**") designated the Downtown/IL Rte. 83 Redevelopment Project Area ("**TIF District**") pursuant to Section 11-74.4-4 of the Illinois Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 *et seq.*, ("**TIF Act**"); and

WHEREAS, pursuant to Ordinance No. 2008-O-6, the Village adopted tax increment allocation financing for the TIF District in accordance with the TIF Act and established the Downtown/IL Rte. 83 Redevelopment Project Area Special Tax Allocation Fund ("**Fund**") for the deposit of TIF District incremental tax revenues and payment of eligible redevelopment project costs and obligations; and

WHEREAS, pursuant to Ordinance No. 2008-O-7, the Village approved a Revised Redevelopment Plan and Project (the "**TIF Plan**"), which TIF Plan identified among the goals of the TIF District to "coordinate public and private improvements to stimulate private investments"; and

WHEREAS, under the TIF Act, the Village is authorized to "[m]ake and enter into all contracts with property owners, developers, tenants, overlapping taxing bodies, and others necessary or incidental to the implementation and furtherance of its redevelopment plan and project," 65 ILCS 5/11-74.4-4(b); and

WHEREAS, the Village President and Board of Trustees (the "**Village Board**") has determined that the goals of the TIF District relating to the stimulation of private investment can be advanced by offering incentives to property owners and business owners in the Historic Business District relating to improvements of their properties and places of business; and

WHEREAS, the Village Board has developed an “HBD Development Incentive Program” (the “***Incentive Program***”) to encourage property owners and businesses to invest in the Historic Business District properties, which Incentive Program is attached hereto as Exhibit A; and

WHEREAS, the Village Board has determined that implementation of the Incentive Program will further the goals and objectives of the TIF Plan, and will otherwise enhance the public health, safety, and welfare of the TIF District and the Village of Long Grove;

NOW, THEREFORE, BE IT RESOLVED by the President and Board of Trustees of the Village of Long Grove, Lake County, Illinois, as follows:

SECTION ONE. **Recitals.** The foregoing recitals are incorporated herein as the findings of the President and Board of Trustees.

SECTION TWO. **Approval of Incentive Program.**

A. The Village Board hereby approves the Incentive Program attached hereto as Exhibit A.

B. The Village Manager, in consultation with the Village Attorney, shall prepare application forms and contract documents to implement the Incentive Program; provided, however, that any contract for benefits under the Incentive Program (an “***Incentive Program Contract***”) shall be subject to the review and approval of the Village Board based on the terms of the Incentive Program.

C. The Village Board may modify any proposed Incentive Program Contract in such manner as it deems necessary or appropriate to best ensure that the objectives of the TIF Plan and the Incentive Program shall be met.

SECTION THREE. **Effective Date.** This Resolution shall be in full force and effect immediately upon its passage and approval in the manner provided by law.

PASSED this ___ day of August, 2016.

AYES: ()

NAYS: ()

ABSENT: ()

APPROVED this ___ day of August, 2016.

Angela Underwood, Village President

ATTEST:

Amy Gayton, Village Clerk

EXHIBIT A
Incentive Program

DRAFT

VILLAGE OF LONG GROVE, IL
HISTORIC BUSINESS DISTRICT DEVELOPMENT INCENTIVE PROGRAM

Objective:

To encourage private investment within the Historic Business District (HBD) for the specific improvement of properties, to attract and maintain businesses that will increase village retail sales tax income, and create a vibrant business community.

Eligibility:

- All Properties in B1 Zoning District (HBD) Note: Archer and Triangle properties not included.
- Property owners, business owners or both depending on which party invests in the improvement.

Terms (TIF ends 2031):

- Board approval required
- Building improvements must be completed by December 31, 2017
- New business sales tax revenues must be generated by Dec. 31, 2020

Building Improvements Eligible For Reimbursement:

- Rehabilitation, reconstruction or remodeling of existing privately owned buildings.

Requirements:

- Village Board along with third party approval of expenses prior to work starting, not retroactive.
- Full code compliance for property, building and use.

Reimbursement Criteria.

- Up to 50% reimbursement based upon increased incremental property taxes &/or 50% increased sales tax for individual properties.
- Minimum reimbursement= \$20,000
- Maximum reimbursement = \$100,000
- Only one Incentive Agreement per building. Reimbursement is transferable to new property owner or business.
- **Sales tax** reimbursement based upon retail businesses producing 12 consecutive months of increased sales tax. Reimbursements for sales taxes will be paid at 6 month intervals.
- **Property tax** reimbursements will only be made after any sales tax reimbursements and after all TIF obligations are paid by Village.

Specifics:

Property Tax Rebate Program (PRTP). The Village of Long Grove does not levy a municipal property tax, however, the 23-year Tax Increment Finance (TIF) District established in 2008 provides the ability for the Village to capture increases in property taxes from the growth in Equalized Assessed Values (EAV) during the life of the TIF. The PRTP provides property owners the potential to be reimbursed for 50% of the cost of improvements made to their property and buildings based upon increased incremental property taxes received by the Village from their property as a result of increased EAV. The PRTP reimbursement is property specific through increased property taxes to the TIF. The reimbursements are made after the Village's existing investments in the TIF (Open Space and General Fund Bonds) are fully recovered by the Village and is limited to the incremental tax revenues generated by a property from its growth in EAV during the life of the TIF.

Sales Tax Rebate Program (STRP). The Village of Long Grove receives 1% of the Illinois state retail sales taxes collected from the Historic Downtown. The STRP provides reimbursement incentives based upon 50% of the sustained increase in Illinois state retail sales taxes produced by retail businesses in downtown. Downtown property owners are eligible for the STRP as an incentive to attract new retail businesses and payments are rebated to property owners or business owners within 90 days after Village receipt of the certified sales tax reports from the business or from the reports from the State of Illinois.